

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02 LAB-04
SIL-01 OMB-01 PA-01 /066 W
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R 102346Z MAY 78
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 0146
INFO TREASURY WASHDC
ALL USCONS MEXICO POUCH

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EO 11652: N/A
TAGS: ELAB, EFIN, MX
SUBJECT: GOM ANNOUNCES NATIONAL EMPLOYMENT PLAN

REF: MEXICO 7069, STATE 083152

BEGIN UNCLASSIFIED Y OJEDA
1. PRESIDENT LOPEZ PORTILLO AND LABOR SECRETARY OJEDA
PAULLADA, IN A CEREMONY HELD MAY 9 IN THE NATIONAL
PALACE, ANNOUNCED A PRESIDENTIAL DECREE CREATING A "NA-
TIONAL EMPLOYMENT PLAN (PLAN NACIONAL DE EMPLEO)" WHICH
WILL BE ADMINISTERED THROUGH THE LABOR SECRETARIAT'S
DIRECTOR OF EMPLOYMENT AND PROFESSIONAL DEVELOPMENT, CLARA
JUDISMAN. POLICY WILL BE ESTABLISHED AND COORDINATION WITH
OTHER GOM ENTITIES WILL BE EFFECTED THROUGH A "CONSULTATIVE
COMMISSION FOR EMPLOYMENT (COMISION CONSULTATIVA DEL
EMPLEO)" MADE UP OF MOST OF THE CABINET AND CHAIRED BY
THE LABOR SECRETARY. LOPEZ PORTILLO ADMINISTERED THE
OATH OF OFFICE TO THIS COMMISSION DURING THE CEREMONY
ATTENDED BY INVITEES FROM GOVERNMENT, PRIVATE SECTOR
EMPLOYERS, LABOR AND THE PRESS.

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2. LABOR SECRETARY OJEDA PRESENTED THE OUTLINE OF THE
"PLAN", MAKING IT CLEAR THAT THE GOM REALIZED THE EXTENT
OF THE UNEMPLOYMENT PROBLEM AND THAT IT WAS NOT EXCLU-
SIVELY "TECHNICAL OR ECONOMIC" BUT "PRIMARILY A POLITICAL
PROBLEM OF SOCIAL JUSTICE." WHILE HE INDICATED THAT THE
PRIVATE SECTOR WOULD BE ASKED TO COOPERATE IN SOLVING THE
PROBLEM, THE GOM, AT LEAST IN THE INITIAL STAGES OF THE

EFFORT, WILL "ORIENT OUR PUBLIC SPENDING TOWARD THE SPECIFIC OBJECTIVE OF EMPLOYMENT. IT IS NECESSARY TO BASE OUR POLICY OF PUBLIC EXPENDITURE, TAXES AND CREDIT ON THE EXPLICIT OBJECTIVE OF WORK (CREATION)." HE PARTICULARLY EMPHASIZED AGRICULTURAL DEVELOPMENT, CONSTRUCTION AND TOURISM AS TARGET AREAS WHERE INVESTMENT AND CREDIT POLICY MIGHT BE DIRECTED TOWARD JOB CREATION.

3. GOALS OF THE PROGRAM WERE MORE EXPLICITLY STATED. THE HOPE IS TO CREATE 3.87 MILLION NEW JOBS BY 1982 TO OFFSET THE 2.8 MILLION NEW ENTRANTS TO THE WORKFORCE BETWEEN THE PRESENT AND THAT DATE, THEREBY REDUCING UN- AND UNDER-EMPLOYMENT. THE HOPE IS TO REDUCE WHAT GOM SPEAKERS CLAIMED TO BE A PRESENT LEVEL OF HARD-CORE UNEMPLOYMENT OF EIGHT PERCENT TO A 1982 LEVEL OF SIX PERCENT. AN EVENTUAL GOAL OF THREE PERCENT UNEMPLOYMENT AMONG THOSE FROM 15 TO 65 YEARS OF AGE WAS CITED, AS WAS "REMOVING FROM THE WORKFORCE THOSE BETWEEN 12 AND 14."

4. AS REPORTED BY THE PRESS, THE MESSAGES FROM GOM SPEAKERS OFFERED NO SPECIFIC DEMANDS UPON THE PRIVATE SECTOR NOR WAS THERE ANY REVELATION FOR PLANS TO ATTACK UNEMPLOYMENT WITH OIL REVENUES AVAILABLE AFTER 1983. THE PRIVATE SECTOR WAS CHIDED WITH REMARKS (BY OJEDA) THAT "WE MUST BALANCE A SITUATION WHICH FAVORS A SMALL GROUP OF PRIVILEGED"

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BUT IT WAS GIVEN NO SPECIFIC ASSIGNMENT. FUTURE OIL REVENUES WERE ONLY VAGUELY TIED TO THE EFFORT BY OJEDA WITH "FOR THE FIRST TIME IN OUR HISTORY WE HAVE IN VIEW THE POSSIBILITY OF THAT WHICH WE CALL FINANCIAL AUTODETERMINATION"; AND BY LOPEZ PORTILLO, WHO WHILE SWEARING IN THE NEW COMMISSION ASSURED THEM THAT "IN TWO YEARS WE WILL HAVE, IF THINGS GO AS THEY PRESENTLY ARE, SURPLUSES FOR FINANCIAL AUTODETERMINATION." END UNCLASSIFIED.

5. COMMENT: THE CEREMONY AND WORDS OF THE PRESIDENT AND LABOR SECRETARY OFFERED MEAGER INSIGHT INTO GOM PLANS FOR ATTACK ON THEIR NUMBER-ONE SOCIAL PROBLEM. OJEDA'S COMMENT ON GOM INTENTIONS TO ORIENT GOM SPENDING TOWARD JOB CREATION WAS CONVEYED TO US PRIVATELY SHORTLY AFTER THE INAUGURATION OF JLP. DIRECTION OF CREDIT TOWARD AGRICULTURE AND OTHER LABOR-INTENSIVE ENTERPRISE HAS ALSO BEEN CLAIMED PUBLICLY ON SEVERAL PAST OCCASIONS. UNEMPLOYMENT STATISTICS CITED ON THIS OCCASION ARE NEW. HERETOFORE THE JLP-GOM SPOKESMEN HAVE INVARIABLY ADMITTED TO A 9- TO 15-PERCENT LEVEL FOR HARD-CORE UNEMPLOYMENT AND PRIVATELY CONFESSED THAT THEIR POLICIES TO DATE HAVE NOT EVEN PROVIDED THE NECESSARY JOBS FOR THE 700,000 ANNUAL NEW

ENTRANTS TO THE LABOR FORCE.

6. WHILE THE CREATION OF THE NATIONAL EMPLOYMENT PLAN OBVIOUSLY IS DESIGNED IN PART TO PROVIDE A SEDATIVE FOR THOSE SOCIAL CRITICS INSIDE AND OUT OF MEXICO, IT IS ENCOURAGING THAT AT LEAST ON THIS OCCASION GOM INTENTIONS WERE NOT OVERSTATED. GOALS WERE STATED AS GOALS AND NOT PROMISES. NO COMMITMENT TO DIRECT SIGNIFICANT PORTIONS OF FUTURE PETROLEUM REVENUES TOWARD JOB CREATION WAS MADE. THE ONLY FIRM PROMISE WE FIND IN THE EVENT IS OJEDA'S, PLEDGING TO GIVE PRIORITY TO LABOR-CREATING OR LABOR-INTENSIVE PROGRAMS WHICH ARE FINANCED BY GOM FUNDS AND TO DIRECT GOM CREDIT TOWARD THE SAME END.

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7. THE "PLAN" CREATION IS ALSO AN INDICATION THAT THIS

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TO SECSTATE WASHDC 0147

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ADMINISTRATION, MORE THAN ANY IN THE PAST, ACTUALLY REALIZES THAT SOMETHING MUST BE DONE TO ARREST THE SERIOUS TREND OF GROWING UNEMPLOYMENT. IT OFFERS SOME HOPE THAT IF AND WHEN MEXICO FINDS ITS POT OF BLACK GOLD, SOME OF IT WILL BE SPENT ON EMPLOYMENT CREATION. THOMPSON

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